

~~ORDINANCE~~
NO. 808

An Ordinance relating to the Sales of Real Estate
in King County; Levy of an Excise Tax thereon.

BE IT ORDAINED BY THE KING COUNTY COUNCIL:

SECTION 1. There is hereby levied and there shall
be collected by King County on each sale of any real property
situated in King County a tax equal to one per cent of the
selling price.

SECTION 2. The proceeds of the tax imposed hereunder
shall be credited to the County School Fund monthly, for
distribution to the school districts entitled thereto, PROVIDED,
that one percent of the proceeds of this tax shall be credited
to the County Current Expense Fund, out of which all cost and
expense of administering this ordinance, including cost of
printing stamps and forms of affidavits and receipts and other
forms which may be necessary, shall be paid.

SECTION 3. The tax levied by this ordinance and any
interest or penalties thereon shall be the obligation of the
seller and King County may proceed to collect the same from the
seller by a civil action for debt against the seller: PROVIDED,
the tax herein provided for and any interest or penalties
thereon shall also be a specific lien upon the real property
sold from the time of sale until the tax shall have been paid,
which lien may be enforced in the manner prescribed for the
foreclosure of mortgages: PROVIDED, FURTHER, resort to one
course of enforcement shall not be an election not to pursue the
other.

SECTION 4. Definitions. The term "sale" shall have
its ordinary meaning and shall include any conveyance,
grant, assignment, quitclaim, or transfer of the ownership
of or title to real property, including standing timber, or

1 any estate or interest therein for a valuable consideration,
2 and any contract for such conveyance, grant, assignment,
3 quitclaim, or transfer, and any lease with an option to
4 purchase real property, including standing timber, or any
5 estate or interest therein or other contract under which
6 possession of the property is given to the purchaser, or
7 any other person by his direction, which title is retained
8 by the vendor as security for the payment of the purchase price.

9 The term "sale" shall not include a transfer by gift,
10 devise, or inheritance, a transfer of any leasehold interest
11 other than of the type mentioned above, a cancellation or
12 forfeiture of a vendee's interest in a contract for the sale
13 of real property, whether or not such contract contains a
14 forfeiture clause, or deed in lieu of foreclosure of a
15 mortgage or the assumption by a grantee of the balance owing
16 on an obligation which is secured by a mortgage or deed in
17 lieu of forfeiture of the vendee's interest in a contract
18 of sale where no consideration passes otherwise or the partition
19 of property by tenants in common by agreement or as the
20 result of a court decree, any transfer, conveyance, or
21 assignment of property or interest in property from one spouse
22 to the other in accordance with the terms of a decree of
23 divorce or in fulfillment of a property settlement agreement
24 incident thereto, the assignment or other transfer of a
25 vendor's interest in a contract for the sale of real property,
26 even though accompanied by a conveyance of the vendor's
27 interest in the real property involved, transfers by
28 appropriation or decree in condemnation proceedings brought
29 by the United States, the state or any political subdivision
30 thereof, or a municipal corporation, a mortgage or other
31 transfer of an interest in real property merely to secure a
32 debt, or the assignment thereof, any transfer or conveyance

1 made pursuant to an order of sale by the court in any
2 mortgage or lien foreclosure proceeding or upon execution
3 of a judgment, or deed in lieu of foreclosure to satisfy a
4 mortgage, a conveyance to the federal housing administration
5 or veterans administration by an authorized mortgagee made
6 pursuant to a contract of insurance or guaranty with the federal
7 housing administration or veterans administration, nor a transfer
8 in compliance with the terms of any lease or contract upon
9 which the tax as imposed by this ordinance has been paid or
10 where the lease or contract was entered into prior to the date
11 this tax was first imposed, nor the sale of any grave or lot
12 in an established cemetery, nor a sale by or to the United
13 States, this state or any political subdivision thereof,
14 or a municipal corporation of this state.

15 The term "sale" shall not include a transfer to a
16 corporation which is wholly owned by the transferor, his
17 spouse or his children: Provided, That if such transferee
18 corporation or such transferor, his spouse, or his children
19 voluntarily transfer the property or the stock, as the
20 case may be, within five years of the exchange, excise
21 taxes shall become due and payable on the original transfer
22 as otherwise provided by law.

23 The term "seller", unless otherwise indicated by
24 the context, shall mean any individual, receiver, assignee,
25 trustee in bankruptcy, trust, estate, firm, copartnership,
26 joint venture, club, company, joint stock company, business
27 trust, municipal corporation, quasi municipal corporation,
28 corporation, association, society, or any group of individuals
29 acting as a unit, whether mutual, cooperative, fraternal,
30 nonprofit or otherwise; but it shall not include the United
31 States or the state of Washington.

1 The term "selling price" means the consideration,
2 including money or anything of value, paid or delivered or
3 contracted to be paid or delivered in return for the transfer
4 of the real property or estate or interest in real property,
5 and shall include the amount of any lien, mortgage, contract
6 indebtedness, or other encumbrance, either given to secure
7 the purchase price, or any part thereof, or remaining unpaid
8 on such property at the time of sale.

9 The term "selling price" shall not include the amount of
10 any outstanding lien or encumbrance in favor of the United
11 States, the state, or a municipal corporation for the taxes,
12 special benefits, or improvements.

13 SECTION 5. Where single family residential property
14 is being transferred as the entire or part consideration
15 for the purchase of other single family residential property
16 and a licensed real estate broker or one of the parties
17 to the transaction accepts transfer of said property, a
18 credit for the amount of the tax paid at the time of
19 the transfer to the broker or party shall be allowed toward
20 the amount of the tax due upon a subsequent transfer of the
21 property by the broker or party if said transfer is made
22 within nine months of the transfer to the broker or party:
23 Provided, That if the tax which would be due on the subsequent
24 transfer from the broker or party is greater than the tax
25 paid for the prior transfer to said broker or party the
26 difference shall be paid, but if the tax initially paid
27 is greater than the amount of the tax which would be due
28 on the subsequent transfer no refund shall be allowed.

29 SECTION 6. The tax herein levied shall be paid
30 to and collected by the Department of Finance, who shall cause
31 to be affixed to the instrument of sale prior to its recording
32 an appropriate stamp or stamps evidencing satisfaction of the

1 lien imposed hereunder and shall further issue a receipt
2 acknowledging such payment which receipt shall be evidence
3 of the satisfaction of the lien imposed hereunder and may
4 be recorded in the manner prescribed for recording satisfaction
5 of mortgages.

6 SECTION 7. No instrument of sale or conveyance
7 evidencing a sale, a tax on which is imposed by this ordinance,
8 shall be accepted by the County for filing or recording until
9 the tax shall have been paid and the stamp or stamps
10 evidencing such payments have been affixed to the instrument
11 or, where no tax is levied hereunder, a stamp indicating
12 such exemption.

13 SECTION 8. It shall be the duty of the seller, within
14 thirty days after the date of sale to furnish to the Department
15 of Finance on forms to be supplied by the Department of Finance
16 an affidavit containing the full name and address of the seller,
17 full name and address of the purchaser, description of the real
18 property involved, date of sale or other transfer, nature of the
19 transfer, and the sale price, which affidavit shall be subscribed
20 and sworn to by the seller, buyer, or agent of either, before
21 a notary public, the Department of Finance (Treasurer), or his
22 duly authorized deputy. PROVIDED: that if the Washington State
23 Department of Revenue requires reports contrary with or in
24 addition to the requirement imposed by this section the requirements
25 of the said department shall supersede the requirements of this
26 section to that extent.

27 Where the transaction involves the exchange in
28 whole or in part of any real property or any estate or interest
29 therein or any contract right thereto for any other real
30 property or estate or interest therein or contract right
31 thereto, there shall be filed by or on behalf of each
32 grantor the above affidavit, which said affidavit shall

1 state the fair market value of the peroperty so exchanged,
2 and a tax shall be lievied and collected as to each transfer.

3 Where the transaction involved is a lease with
4 an option in the lease to buy real property or any estate
5 or interest therein or contract right thereto, and the selling
6 price is not stated in the instrument, the grantor, grantee or
7 the agent of either shall, by affidavit, state the option
8 price intended and the tax levied hereunder shall be on
9 such stated option price: PROVIDED, that if, upon execution
10 and delivery of instrument of conveyance or transfer pursuant
11 to such option, the actual consideration passing be greater
12 than the option price stated in the affidavit filed at the
13 time the lease with option was executed, there is hereby
14 levied and there shall be collected under this ordinance
15 the tax on such additional amounts prior to the time the
16 deed is accepted for recording: PROVIDED FURTHER, that
17 where, by the instrument of lease, the lease payments do
18 not apply on the ultimate sales price, the tax levied
19 hereunder shall not be payable until the option is exercised
20 and accepted.

21 Where the transaction involved constitutes a
22 sale of standing timber under this ordinance and the selling
23 price is stated in such conveyance as being determinable in
24 the future on the basis of footage removed or on a stumpage
25 basis, it shall be the duty of the seller to execute and
26 file with the Department of Finance the foregoing affidavit
27 stating, in addition to the other requirements, the legal
28 description of the real property on which such standing timber
29 is located and an estimate, to the best of his knowledge, of
30 the selling price ultimately to be received and shall pay to
31 the County under this ordinance a sum equal to one percent of
32 such estimated selling price. On the expiration date of such

1 timber contract, if not extended, or at the time cutting and
2 removal is completed, whichever is earlier, it shall be the duty
3 of the seller to execute and file with the County an additional
4 affidavit in the above form setting price actually paid. In
5 the event such amount results in a tax greater than the sum
6 theretofore paid on the estimate, the seller shall pay such
7 additional amount to the County. In the event such amount be less
8 than the original estimate, the Department of Finance is hereby
9 directed to refund the excess payment to the taxpayer.

10 Where the transaction involved constitutes a conditional
11 sale of mining property in which the buyer has the right to
12 terminate the contract at any time, and a lease and option to
13 buy mining property in which the lessee-buyer has the right to
14 terminate the lease and option at any time, shall be taxable at
15 the time of execution only on the consideration received by the
16 seller or lessor for execution of such contract: PROVIDED, that
17 the tax due on any additional consideration paid by the buyer
18 and received by the seller shall be paid to the County (1) at the
19 time of termination, or (2) at the time that all of the
20 consideration due to the seller has been paid and the transaction
21 is completed except for the delivery of the deed to the buyer,
22 or (3) at the time when the buyer unequivocally exercises an
23 option to purchase the property, whichever of the three events
24 occurs first.

25 The term "mining property" means property containing
26 or believed to contain metallic minerals and sold or leased
27 under terms which require the purchaser or lessor to conduct
28 exploration or mining work thereon and for no other use. The
29 term "metallic minerals" does not include clays, coal, sand
30 and gravel, peat, gypsite, or stone, including limestone.

31 SECTION 9. The Department of Finance shall retain and
32 file the original of such affidavit and shall furnish one copy

to the County Assessor.

SECTION 10. The tax imposed hereunder shall become due and payable immediately at the time of sale, and if not so paid within thirty days thereafter, shall bear interest at the rate of one percent per month, from the date of sale, which interest shall be added to the tax and likewise bear interest thereafter.

SECTION 11. If, upon written application by a taxpayer to the Department of Finance for a refund hereunder, or upon examination of the records by the Department of Finance without such application, it appears that a tax has been paid hereunder in excess of the amount actually due or upon sale or other transfer herein declared to be exempt from tax hereunder, such excess amount or improper payment shall be refunded by the Department of Finance to the taxpayer. No refund shall be made with respect to any payment more than one (1) year before the date of application or examination.

SECTION 12. This Ordinance is deemed severable and any declaration by any court that any section or sections, or portions thereof, are invalid, shall have no effect on the remainder of this ordinance.

SECTION 13. This Ordinance is necessary for the immediate support of county government and its existing public institutions and shall take effect at midnight.

PASSED this 26th day of April, 1971.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Robert B. Quinn
Chairman of the Council

ATTEST:

[Signature]
Clerk of the Council

ACTING

APPROVED: May 3, 1971
DATE:

[Signature]
John D. Spellman
King County Executive